

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 11, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: California Housing Finance Agency

Allocation Amount Requested: Tax-exempt: \$10,000,000

Project Information: Name: CCBA Senior Garden Apartments
Project Address: 428 Third Avenue
Project City, County, Zip Code: San Diego, San Diego, 92101

Project Sponsor Information: Name: CCBA Seniors, L.P. (Chinese Consolidated Benevolent Association of San Diego)
Principals: Peter Chu, Kathleen Dang, Markus Quon and My My Lu for the Chinese Consolidated Benevolent Association of San Diego
Property Management Company: Barker Management, Inc.

Project Financing Information: Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: BBVA Mortgage Corporation
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: October 3, 2019
TEFRA Adoption Date: November 4, 2019

Description of Proposed Project: State Ceiling Pool: General
Total Number of Units: 45
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Senior Citizens

CCBA Senior Garden Apartments is an existing project located in San Diego on a .29-acre site. The project consists of 44 restricted rental units and 1 unrestricted manager unit. The project has 3 studio units and 42 one-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of stucco repairs, roof replacement, window replacements and a fresh coat of paint. Interior renovations will include leasing office and community room HVAC upgrades. Individual apartment units will be updated with a new kitchen appliance package, new kitchen cabinets, new countertops and sinks, new bath fixtures and electrical lighting updates. Lastly, common or site area renovations will consist of door frame repairs, door replacement and ADA updates. The rehabilitation is expected to begin in March 2020 and will be completed in March 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
64% (28 units) restricted to 50% or less of area median income households.
36% (16 units) restricted to 60% or less of area median income households.
Unit Mix: Studio & 1 bedroom

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost: \$ 16,349,950
Estimated Hard Costs per Unit: \$ 67,500 (\$3,037,500 /45 units including mgr. units)
Estimated per Unit Cost: \$ 363,332 (\$16,349,950 /45 units including mgr. units)
Allocation per Unit: \$ 222,222 (\$10,000,000 /45 units including mgr. units)
Allocation per Restricted Rental Unit: \$ 227,273 (\$10,000,000 /44 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 10,000,000	\$ 3,907,640
LIH Tax Credit Equity	\$ 792,086	\$ 5,280,573
Deferred Developer Fee	\$ 0	\$ 18,579
Deferred Costs	\$ 947,297	\$ 0
Seller Note	\$ 2,925,000	\$ 5,325,000
Civic San Diego Loan	\$ 1,080,000	\$ 1,080,000
Net Income From Operations	\$ 165,567	\$ 206,958
Atlanta FHLB AHP	\$ 440,000	\$ 440,000
Residual Receipts Accrued Interest	\$ 0	\$ 91,200
Total Sources	\$ 16,349,950	\$ 16,349,950

Uses of Funds:	
Land Cost/Acquisition	\$ 8,305,000
Rehabilitation	\$ 3,219,750
Relocation	\$ 75,000
Contractor Overhead & Profit	\$ 246,645
Architectural Fees	\$ 187,500
Survey and Engineering	\$ 25,000
Construction Interest and Fees	\$ 1,081,401
Permanent Financing	\$ 24,827
Legal Fees	\$ 232,500
Reserves	\$ 120,863
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 346,640
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 536,104
Developer Costs	\$ 1,938,720
Total Uses	\$ 16,349,950

Analyst Comments:

None

Legal Questionnaire:

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points:

72.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$10,000,000 in tax-exempt bond allocation on a carryforward basis.

ATTACHMENT A

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	72.5